

**DEPARTMENT OF THE ATTORNEY GENERAL
PERFORMANCE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

**DEPARTMENT OF ADMINISTRATION
BUREAU OF AUDITS
ONE CAPITOL HILL
PROVIDENCE, RI 02908-5889**



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUREAU OF AUDITS
One Capitol Hill
Providence, R.I. 02908-5889
TEL #: (401) 222-2768
FAX #: (401) 222-3973

DEPARTMENT OF THE ATTORNEY GENERAL
PERFORMANCE AUDIT
FISCAL YEAR ENDED JUNE 30, 1999

EXECUTIVE SUMMARY

This is the first performance audit conducted of the Department of the Attorney General (the Department). It should be noted that this administration has only been in office for 6 months during the audit period. The purpose of this audit was to identify deficiencies inherent in current and past practices and recommend corrective action to improve management controls.

The Department should revise its Employee Manual regarding alternative work schedules. Existing policies and procedures should be delineated to include eligibility; supervisory control; risk management; security over work product, and reporting.

Management needs to ensure that control related policies and procedures are monitored to determine that controls function as intended or make the necessary adjustments.

The Department needs to implement the Secretary of State's records management program and designate a records management officer to ensure the preservation of records.

DEPARTMENT OF THE ATTORNEY GENERAL
PERFORMANCE AUDIT
FISCAL YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	i
TRANSMITTAL LETTER	1
INTRODUCTION	
Objective, Scope, and Methodology	2
Background	3
Organizational Chart	4
NOTEWORTHY ACCOMPLISHMENTS	5
FINDINGS AND RECOMMENDATIONS	
Payroll/Personnel:	
Nonchargeable Absences	6
Alternative Work Schedules	6
Payroll Reporting	7
Supervisory Approval of Time Cards	8
Vacation Accruals	8
Sick Leave	9
Financial Controls:	
Cash Receipts	9
In-State Travel	10
Fee Schedules/Applications	11
Inventory:	
Supplies	11
Bureau of Criminal Investigation/Investigations:	
Motor Vehicles Owned by a Governmental Body	12
Office of Investigation	13
Stolen Property Reports	14
Records Management	14
Charitable Trusts:	
Registration and Annual Filing	15
Rules and Regulations	15
State Crime Laboratory Commission:	
Meetings and Report	16
Duties of the Secretary of the Commission	16
Annual Appropriation for Scientific Criminal Investigation and Training	17
MANAGEMENT'S RESPONSE TO AUDIT FINDINGS AND RECOMMENDATIONS	18



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One Capitol Hill
Providence, R.I. 02908-5889
TEL #: (401) 222-2768
FAX #: (401) 222-3973

November 21, 2000

The Honorable Sheldon Whitehouse
Rhode Island Attorney General
150 South Main Street
Providence, RI 02903

Dear General Whitehouse:


We have completed our performance audit of the Department of the Attorney General for the fiscal year ended June 30, 1999. Our audit was conducted in accordance with Sections 35-7-3 and 35-7-4 of the General Laws of the State of Rhode Island.

The findings and recommendations included herein have been discussed with management and we have considered their comments in the preparation of our report. Management's responses to our audit recommendations have also been included in our report.

In accordance with Section 35-7-4 of the General Laws, we will review the status of the Department of the Attorney General's corrective action plan within 6 months from the date of issue of this report.

We would like to thank the Attorney General and the members of his staff for their cooperation and assistance during this review.

Sincerely,


Stephen M. Cooper, CFE, CGFM
Chief, Bureau of Audits

SMC:pb

DEPARTMENT OF THE ATTORNEY GENERAL
PERFORMANCE AUDIT
FISCAL YEAR ENDED JUNE 30, 1999

INTRODUCTION

Objectives, Scope, and Methodology

We conducted a performance audit of the Department of the Attorney General for the fiscal year ended June 30, 1999. Our objectives were to determine if the Department complied with state laws and regulations and was acquiring, protecting, and using its resources in an economical and efficient manner.

Our audit was made in accordance with *Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors and included such tests of the accounting records and auditing procedures as we considered necessary in the circumstances.

We also evaluated the internal control structure of the Department and reviewed the procedures used for processing cash receipts and disbursements, personnel, and purchasing. The formulation of the findings and recommendations of this report was based upon our:

- Review and analysis of state laws, regulations, policies, and procedures; and
- Interviews with personnel and tests for compliance with applicable laws, regulations, and procedures.

The findings and recommendations included herein have been discussed with management and we have considered their comments in the preparation of our report. Section 35-7-4 (c) of the Rhode Island General Laws requires the auditee to respond in writing within sixty (60) days to all recommendations in this report. Management's response to our audit findings and recommendations were submitted on November 17, 2000 and are included in our report.

Background

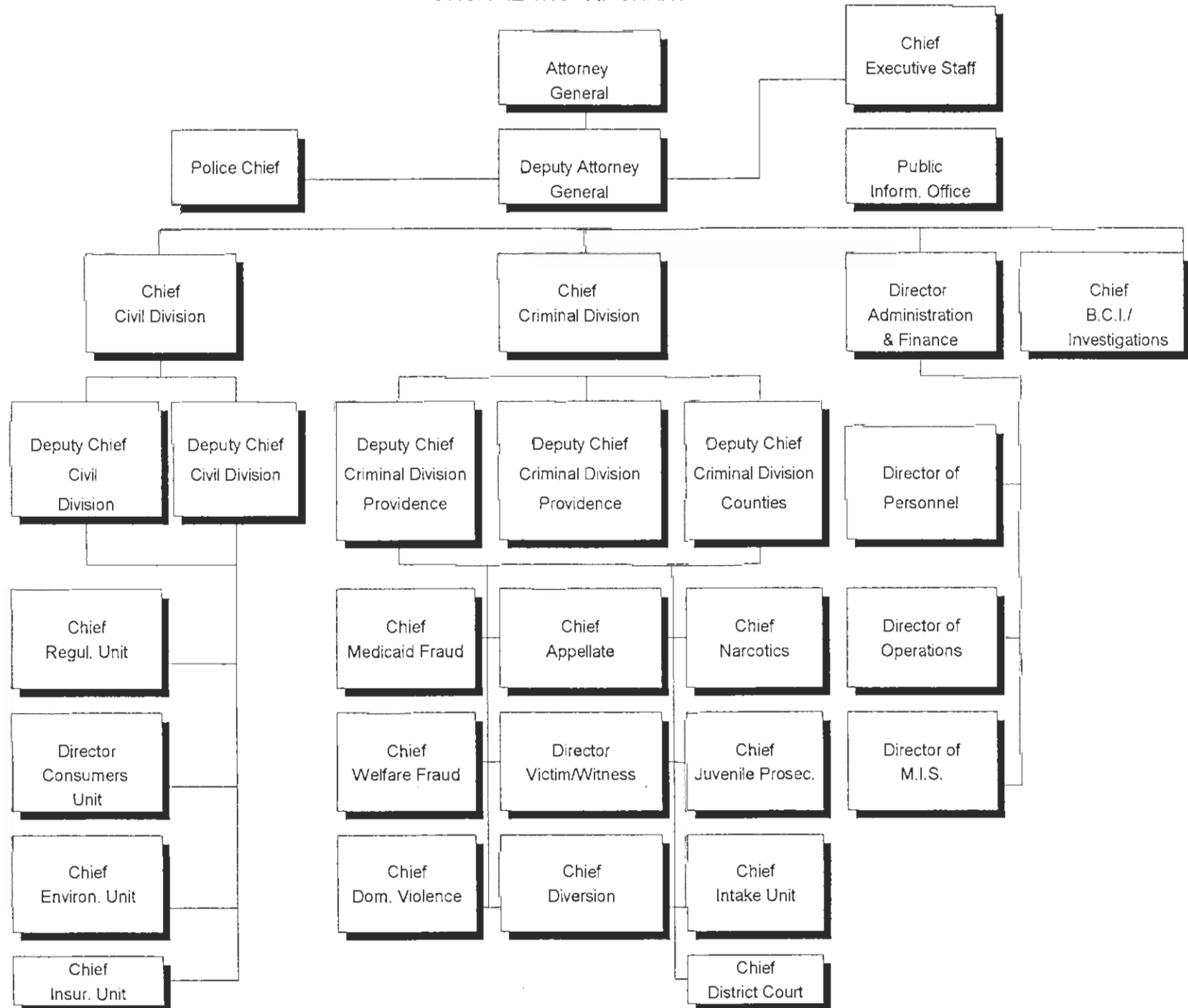
The Rhode Island General Assembly established the Department of the Attorney General in 1939 and its powers and duties are derived from Article IX, Section 12 of the Constitution of the State of Rhode Island and Chapter 42-9 of the Rhode Island General Laws. The Department is divided into four programs: Criminal, Civil, Bureau of Criminal Identification, and General. For the purpose of this audit our scope was limited to the General Program.

Attorney General - General Program

The General program provides administrative support to ensure that the department operates efficiently. This program consists of six units.

- ❑ The **executive unit** consists of the Attorney General, the Deputy Attorney General and their support staff. The function of the executive unit is to coordinate the efforts of all parts of the department.
- ❑ The **fiscal unit** is responsible for all financial operations of the department. This includes the preparation of the department's budget, monitoring and controlling expenditures, and the processing of all financial paperwork.
- ❑ The **personnel unit** processes all paperwork regarding hiring, transfers, promotions and terminations, and monitors payroll records submitted to Accounts and Control. This unit must ensure that all state and federal laws and regulations are upheld, including equal employment opportunities and affirmative action requirements.
- ❑ The **operations unit** is responsible for purchasing, maintenance and repair of the department's buildings and automobiles, and monitoring the department's telephone and mail systems.
- ❑ The **MIS unit** administers and operates the department's computer systems. The system consists of five central processing units, multiple application servers, over 220 desktop computers and thirty printers. The Attorney General's computer system is linked to the court's computer system and the Rhode Island Law Enforcement Telecommunications System.
- ❑ The **public information/legislation unit** handles all communication with the media, submits legislation on the department's behalf, and coordinates the department's education, and community outreach efforts.

DEPARTMENT OF THE ATTORNEY GENERAL ORGANIZATIONAL CHART



DEPARTMENT OF THE ATTORNEY GENERAL
PERFROMANCE AUDIT
JUNE 30, 1999

NOTEWORTHY ACCOMPLISHMENTS

During the tenure of the current administration, the Department of the Attorney General has made many noteworthy reforms and initiatives as they apply to our review.

- Greater accessibility to the public has been achieved by extending its business hours from 8:30 am to 4:30 p.m. to 8:00 am to 6:00 p.m. in the Providence office at no additional cost to the taxpayer.
- The Department promulgated "The Attorney General's Guide to Rhode Island's Open Meetings Act" to all municipalities to assist all public entities in complying with state law.
- A toll free "Senior Line" has been established and dedicated to handling consumer complaints by Rhode Island Seniors.
- Established a Policy and Prevention Unit to represent the Department in all legislative matters.
- Under this administration the Bureau of Criminal Identification/Investigation became the sole source conduit to the Federal Bureau of Investigation (FBI) for all Rhode Island criminal history records. This created a centralized and more standardized method of record keeping for the state's criminal history database.

DEPARTMENT OF THE ATTORNEY GENERAL
PERFORMANCE AUDIT
FISCAL YEAR ENDED JUNE 30, 1999

FINDINGS AND RECOMMENDATIONS

Payroll/Personnel

Nonchargeable Absence: The Department of the Attorney General (the Department) granted employees seven hours of paid leave as a nonchargeable absence to be used during either the week of Christmas or New Year's Day holiday. There is no authority for the granting of such leave in the State's personnel system. Pursuant to Rule 6.06, Leave Regulations contained in the State of Rhode Island Personnel Rules and Regulations, dated May 1988, employees are granted four (4) days of personal leave each year specifically for the purposes of holiday or religious observances or alternatively an employee may use annual leave.

Recommendation

1. Review the practice of granting paid leave as a nonchargeable absence.

Management's Response:

Not Accepted.

Alternative Work Schedules: Section 36-3.1-5 of the Rhode Island General Laws states in part....."each state department, board, or commission shall develop and transmit to the division of human resources of the department of administration for review of its plans for the implementation of alternative work schedules following guidelines published by the director of the department of administration." Our review disclosed the Department has not submitted an alternative work schedule in accordance with the statute nor does it have any standard policies and procedures in place to establish guidelines to ensure consistency for common issues. To achieve optimum benefit from the plan and its policies and procedures, the schedule should include but not be limited to eligibility requirements, supervisory control, work conditions and security, and health and safety issues.

Recommendation

2. An alternative work schedule approved by the Attorney General should be submitted for review in accordance with Section 36-3.1-5 of the Rhode Island General Laws.

Management's Response:

Partially accepted.

3. The Department's Employee Manual ("Hours of Work") should be expanded to provide additional guidance regarding policies and procedures

Management's Response:

Accepted.

Payroll Reporting: In accordance with the Department's Procedural Manual...."The Department does, as a matter of internal practice use timecards. The timecards indicate by day whether the employee worked a full day, or if any exception hours were taken. Timecards are signed by the employee and the unit supervisor. In cases where it is impractical to have the person's supervisor sign (county offices), another employee in the unit should sign to verify that the time card has been reviewed."

The Department does not perform the necessary reconciliation's with the records from the Department of Administration. Although the Department's Procedures Manual indicates that sick and annual leave should be reported in hours some employees are reporting leave time in days. Our examination disclosed that two employees discharged 58 hours of vacation time during the two-week period ended January 1, 2000. The Accrued Hours Report from the Department of Administration's Office of Accounts and Control recorded a discharge of only 9 hours resulting in 49 underreported hours of vacation.

Recommendations

4. The department's payroll records should be reconciled to the Department of Administration (DOA).

Management's Response:

Accepted.

5. . Ensure a uniform method of reporting time and effort.

Management's Response:

Accepted.

6. The Department should report incorrect vacation hours to the Department of Administration's Office of Accounts and Control.

Management's Response:

Accepted.

Supervisory Approval of Time Cards: We randomly selected 58 employees' timecards to ensure they were signed and approved by their supervisors as required by the Department's Procedural Manual. Our review disclosed that payroll was processed even though 48 timecards did not have a supervisory signature. In some instances individuals would approve their own timecards.

Recommendation

7. Employee timecards should be properly approved before the payroll is processed. The Department should appoint a designated employee to approve time cards in cases when a supervisor is not available.

Management's Response:

Partially accepted.

Vacation Accruals: Vacation accruals are based on the number of years of service and pro-rated based on the hours worked. At the beginning of the year, the state provides vacation accruals in the form of "up front days" and throughout the year a percentage to total the employee's allowable paid vacation. Our review of personnel action forms and accrued hours reports for 5 part-time employees disclosed vacation accruals were not pro-rated based on the employees' part-time schedule, resulting in those employees receiving too many accrued vacation hours.

Recommendation

8. Adjust the vacation accruals of part-time employees to accurately reflect their pro-rated vacation for the year.

Management's Response:

Accepted.

Sick Leave: Section to Section 36-4-63 of the Rhode Island General Laws, a physician's certificate or evidence satisfactory to the appointing authority is required for each discharge with pay of 3 consecutive days of sick leave. Documentation is required even if the supervisor had absolute knowledge of the validity of the claim. The Department's policy is to require either a physician's certificate or an affidavit of illness, evidence adopted by most agencies, after 3 consecutive days. Our test for compliance disclosed 9 of 35 instances of employees discharging 3 consecutive days of sick leave without documentation.

Recommendation

9. Ensure employees submit either a physician's certificate or an affidavit of illness in accordance with RIGL 36-4-63 and departmental policy.

Management's Response:

Partially accepted.

FINANCIAL CONTROLS

Cash Receipts: Our review disclosed material weaknesses in internal controls as they apply to cash receipts. Although the fiscal office is responsible for the Department's financial operations, it appears that each division operates as an entity within the Department and not an integral part of a centralized system. This fragmentation of operations resulted in the breakdown of controls over cash receipts as follows:

- All units do not restrictively endorse checks upon receipt, nor do they maintain a cash receipts journal;
- Formal reconciliation to the Controller's Statements are not prepared; and

- Deposits are not being made within 7 business days as required by RIGL 11-28-1. In 42 of 108 cash transactions sampled deposits were not made timely, and in 20 instances we were unable to determine when the checks were received because the Department does not routinely date stamp incoming documents.

Recommendations

10. The Department should consider the feasibility of centralizing the cash receipts function in the business office.

Management's Response:

Not accepted.

11. Ensure checks are restrictively endorsed and accompanying documents date stamped, and receipts are recorded in a cash receipts journal.

Management's Response:

Accepted.

12. Reconcile and document the Department's records with the Controller's Statements on a monthly basis.

Management's Response:

Accepted.

In-state Travel: Section A-46 of the State Procedural Handbook requires department employees who travel throughout the state conducting business report their travel expense reimbursements on Form A-14X, Express Travel Reimbursement and Accounting ("EXTRA") at the end of each calendar month.

Our review disclosed that the Department does not use Form A-14X nor is there a procedure to ensure that employees submit travel forms monthly. Our review of 19 travel reimbursements for the month of June revealed that 15 were for reimbursements ranging from 1 to 6 months beyond the appropriate due date.

Recommendation

13. Employees should submit travel reimbursement vouchers on a monthly basis in accordance with Section A-16 of the State Procedural Handbook.

Management's Response:

Accepted.

Fee Schedules/Applications: During our review we noted that, by statute, the Department collects various types of fees. The current fee schedule has been in place for some time and the Department does not require a nonrefundable registration/application fee. An application for a pistol permit requires an application fee of \$40 for a 4-year permit. If the application is denied, the application fee is refunded. The average cost of \$10 per year for a pistol permit has not been increased since 1975; Charitable Trust filing fees and Bureau of Criminal Investigation checks have not been increased since 1987. The telephone solicitation registration fees are also refunded if not approved.

Recommendation

14. The Department should review the fee schedule and applications and consider including language that application fees are nonrefundable and fees charged are adequate.

Management's Response:

Accepted.

Inventory

Supplies: The Department's cost of supplies for the 4 major divisions totaled \$104,000 for the fiscal year ended June 30, 1999. Our review of policies and procedures to ensure internal controls were in place for supply inventory disclosed that although the department requires a requisition for items from the main supply room, a perpetual inventory of supplies is not maintained. We further noted that once supplies are requisitioned from the main storeroom, they are stored in various unsecured closets throughout the building and withdrawn with no oversight.

Recommendation

15. Implement a perpetual inventory system for the main supply room and maintain control over the various storerooms throughout the building.

Management's Response:

Not accepted.

Bureau of Criminal Investigation/Investigations

Motor Vehicles Owned by a Governmental Body: Chapter 42-11.3 of the Rhode Island General Laws requires the users of vehicles owned by a governmental body to reimburse the state for commuting costs. The statute exempts general officers, directors of various departments, and security personnel. Security personnel are defined by statute as "members of a state law enforcement division engaged in undercover operation." The users of vehicles subject to recall are not required to reimburse the state for those trips required by recall to a work site. The Department of the Attorney General currently provides 7 state-owned vehicles to Department personnel, of which 2 are reporting commuting usage. It should be noted that although Attorney General Whitehouse is exempt from reimbursing the state for personal commuting use under statute he has filed with the State Controller's Office to claim the commuting use of the vehicle as a taxable fringe benefit. Management has taken the position that the remaining 5 users of vehicles are exempt because they meet the definition of law enforcement.

Our review disclosed that the 5 state vehicles have been assigned as follows:

- 3 to the Bureau of Criminal Investigation/Investigations; the Chief, Deputy Chief, and an investigator;
- 1 to the Director of Operations; and
- 1 to an investigator in the Medicaid Fraud Unit.

Our analysis of the various data, supplied by the department, when compared to the statute clearly indicates that the 5 users of state vehicles are not exempt and should be reimbursing the state for commuting miles and reporting the commuting use to the State Controller for Internal Revenue Service purposes.

Subsequent to our audit period, legislation was enacted to amend Sections 42-11.3-1 thru 42-11.3-4 as it applies to motor vehicles owned by a governmental body.

Recommendation

16. Ensure compliance with Internal Revenue Service Regulations and the amended legislation requiring reimbursement for commuting miles for nonexempt employees who are assigned vehicles.

Management's Response:

Partially accepted.

Office of Investigation: Pursuant to Section 42-9-8.1 (5) and (6) of the Rhode Island General Laws, "prior to the appointment of any individual to a position within the Office of Investigation, a background criminal check is to be conducted and the office shall adopt and implement such standards as may be applicable to its scope and purpose as promulgated by the commission for the accreditation of law enforcement agencies." Evidence of any background checks was not included within the personnel files of 4 of the 5 field investigators. This probably occurred because the investigators in question are from various local police departments; however, this does not preclude the Office of Investigation from compliance with the statute. Our review further disclosed that at this time the Office of Investigation had not adopted and implemented standards for accreditation of law enforcement agencies. Management had indicated that the Department does not need standards of this magnitude.

Recommendations

17. Perform and document criminal background checks on all field investigators.

Management's Response:

Accepted.

18. The Department should comply with RIGL 42-9-8.1 (6) or request legislation to amend it.

Management's Response:

Partially accepted.

Stolen Property Reports: Section 12-1-7 of the Rhode Island General Laws requires the Attorney General to keep on file reports of lost, stolen, found, pledged, or pawned property. Our review disclosed that the Department does not have policies and procedures in place to ensure that the various police officials comply with RIGL 12-1-10 as it applies to stolen property reports. Management had indicated that modern technology may render this legislation obsolete.

Recommendation

19. The Department should comply with the statute or request legislation to amend or repeal it.

Management's Response:

Accepted.

Records Management

Pursuant to Section 42-8.1-17 (3) and (5) of the Rhode Island General Laws, each state agency is to establish and maintain an active and continuing program for the preservation of records and to designate an agency records management officer to manage the program in conjunction with the Division of State Archives and the Public Records Administration within the Office of the Secretary of State. The Department of the Attorney General does not have a formal, written policy regarding records management. There are no record retention and destruction schedules defining which records to retain, method of retention, or procedures for record destruction. The fiscal, civil, and criminal units each have an employee handling their respective records management function which does not provide for efficient oversight. As a result, the Department is incurring Records Center storage costs in excess of \$50,000 each year.

Recommendation

20. Designate a "records management officer" to oversee the Department's records management as outlined by the Office of the Secretary of State.

Management's Response:

Accepted.

Charitable Trusts

Registration and Annual Filing: The Division of Charitable Trusts was established within the Department of the Attorney General for the purposes of supervision and enforcement of funds given or appropriated to charitable trusts. In accordance with Sections 18-9-7 and 18-9-13 of the Rhode Island General Laws, all charitable trusts established or active in Rhode Island are required to register with the Department and annually file a written report for the prior fiscal year by July 1 and submit a filing fee of \$50. When a registered charitable trust with assets over \$25,000 has failed to file an annual report with the Department for a period exceeding 2 years, Section 18-9-17 (b) requires the Department to assess a fee of \$100. Our review disclosed that the Department does not have policies and procedures in place to ensure all trusts subject to the statutory reporting and filing fee requirements are met.

Recommendation

21. Develop policies and procedures to ensure compliance with the Charitable Trust statutes.

Management's Response:

Partially accepted.

Rules and Regulations: The Attorney General is authorized to make such rules and regulations to secure records and other information for the operation, supervision, investigation, and enforcement of charitable trusts in accordance with Section 18-9-8 of the Rhode Island General Laws. The rules and regulations promulgated under this authority have not been updated since 1975.

Recommendation

22. Review the existing rules and regulations on file with the Office of the Secretary of State and update accordingly.

Management's Response:

Accepted.

State Crime Laboratory Commission

Meetings and Report: Chapter 12-1.1 of the Rhode Island General Laws created the State Crime Laboratory Commission. The Attorney General is designated as the chairman and provides the funding through the Department's appropriation for the State Crime Laboratory at the University of Rhode Island. As chairman of the commission with such powers and duties and as the conduit Department providing the funding to the State Crime Laboratory, the Department of the Attorney General has the responsibility of ensuring the state crime laboratory is complying with its statutory requirements.

Statutory requirements call for the commission to meet at least 4 times each year at the call of the chair, and submit an annual report to the governor and legislature concerning its work for the preceding fiscal year.

Our review disclosed that the commission had only 3 meetings and did not submit an annual report as required.

Recommendation

23. Ensure the Commission has 4 meetings each year and submits an annual report to the governor and the legislature.

Management's Response:

Accepted.

Duties of the Secretary of the Commission: In accordance with Sections 12-1.1-6 and 12-1.1-7 of the Rhode Island General Laws, the dean of the college of pharmacy at the University of Rhode Island, in his capacity as executive secretary of the commission, is required to oversee the administration of the crime laboratory, including providing reports and presenting the budget as prepared by the director of the

laboratory to the commission. Based on our review of the minutes of the state crime laboratory, it appears that the director of the state crime laboratory performs these duties directly.

Recommendation

24. The commission should review the responsibilities and duties of the state crime laboratory personnel and commission members to determine if the delegation of statutory responsibility is appropriate and recommend a modification and/or repeal of statutory requirements.

Management's Response:

Not accepted.

Annual Appropriation for Scientific Criminal Investigation and Training

Section 42-9-14 of the Rhode Island General Laws states in part that an annual sum not to exceed fifteen thousand dollars (\$15,000) or as much as may be required, is to be appropriated to the Attorney General's department for purposes of financial support of the scientific criminal investigation and training of law enforcement officers and firefighters in modern scientific investigative techniques and research in the field of scientific investigation. Based on our review, no such appropriation is made as the state crime laboratory fulfills the purpose of the statutory appropriation. This statutory appropriation was created in 1958 and predates the creation of the state crime laboratory.

Recommendation

25. The Department should have legislation introduced in the next session of the General Assembly to repeal the statute.

Management's Response:

Accepted.



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

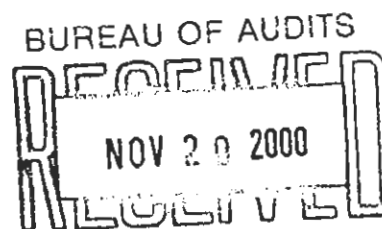
150 South Main Street, Providence, RI. 02903

(401) 274-4400

TDD (401) 453-0410

Sheldon Whitehouse, Attorney General

November 17, 2000



Stephen M. Cooper, CFE, CGFM
Chief, Bureau of Audits
One Capitol Hill
Providence, RI 02903

Dear Mr. Cooper:

My staff has prepared its response to your agency's Audit Report for the Department of the Attorney General for the fiscal year ended June 30, 1999 which focused on the Department's compliance with state laws and regulations and the utilization of resources in an efficient and effective manner.

In light of the fact that this was the first-ever audit conducted at the Department of the Attorney General, I was quite pleased with your staffs' complimentary observations regarding our updated handbooks and policies and procedures. Moreover, given that my administration had only been in place for six months during the focal period of the audit, it was a time when my staff was charged with the responsibility of conducting an internal review of past departmental practices and performance levels, identifying deficiencies and recommending remedial action. I was particularly satisfied that you reported no instance of inappropriate expenditures or unauthorized spending practices.

Our primary focus upon taking office was to restructure and reform the Department of the Attorney General in an effort to command respect for its integrity, its hard work and its good sense and fairness. I am extremely proud of the great strides the men and women of the Department have made in securing that reputation.

Sincerely,

Sheldon Whitehouse
Attorney General

**Department of the Attorney General
Response to the Bureau of Audits Draft Audit Report
Fiscal Year Ended June 30, 1999**

Auditor's Recommendation:

1. *Review the practice of granting paid leave as a nonchargeable absence.*

Department of Attorney General Response:

Not Accepted

The Attorney General regards the one-day of administrative leave as a valuable management tool. Under current State Rules and Regulations, there is no mechanism in place to pay overtime and/or comp time to employees of the Department. Working beyond the standard workweek is commonplace for AG staff and while other state employees receive these benefits, members of the Department of the Attorney General do not.

Auditor's Recommendation:

2. *An alternative work schedule approved by the Attorney General should be submitted for review in accordance with §36-3.1-5 of the Rhode Island General Laws.*

Department of Attorney General Response:

Partially Accepted

While it is arguable that the law does not apply to the Department of a General Officer, the Department of the Attorney General will submit an alternative work schedule to the State Division of Human Resources.

Auditor's Recommendation:

3. *The Department's Employee Manual ("Hours of Work") should be expanded to provide additional guidance regarding policies and procedures.*

Department of Attorney General Response:

Accepted

Having made the Department more accessible to the public by extending our business hours from the standard 8:30 a.m. to 4:30 p.m. to 8:00 a.m. to 6:00 p.m., the Employee Manual does need updating and will be expanded to recognize this positive change.

Auditor's Recommendation:

4. *The Department's payroll records should be reconciled to the Department of Administration (DOA).*

Department of Attorney General Response:

Accepted

This procedure is presently in effect.

Auditor's Recommendation:

5. *Ensure a uniform method of reporting time and effort.*

Department of Attorney General Response:

Accepted

Employees will be instructed to report time in hours rather than days for better uniformity.

Auditor's Recommendation:

6. *The Department should report incorrect vacation hours to the Department of Administration's Office of Accounts and Control.*

Department of Attorney General Response:

Accepted

The Department does adjust incorrect vacation/personal/sick hours. Adjustments for the two noted underreported hours have been submitted.

Auditor's Recommendation:

7. *Employee timecards should be properly approved before the payroll is processed. The Department should appoint a designated employee to approve timecards in cases when a supervisor is not available.*

Department of Attorney General Response:

Partially Accepted

The Department makes every effort to ensure that timecards are properly authorized by supervisors before the payroll is processed. However, because of strict time constraints on when timecards must be forwarded to the fiscal office to ensure that payroll is completed in a timely fashion, there are times when a senior employee must attest to an employee's timecard instead of a direct supervisor. These instances may arise when a supervisor is on trial, working at another location, or out of the office on leave. It is the Department's view that an employee's timecard is an affidavit of the hours worked in a given week. Failure to report truly and accurately on one's timecard would be a serious violation of departmental policy and is grounds for dismissal as noted in the Department's Employee Manual.

Under current State Rules and Regulations the unclassified, non-standard employees of the Department are only required to submit exception hours to the payroll office. The timecards are an internal control of the Department of the Attorney General and considered an affidavit as submitted by the employee. Management does not see the need to appoint designees outside of a unit supervisor in these instances.

Auditor's Recommendation:

8. *Adjust the vacation accruals of part-time employees to accurately reflect their pro-rated vacation for the year.*

Department of Attorney General Response:

Accepted

The Department has made the necessary adjustments for current part-time employees and will continue to do so as warranted.

Auditor's Recommendation:

9. *Ensure employees submit a physician's certificate or affidavit of illness in accordance with R.I.G.L. §36-4-63.*

Department of Attorney General Response:

Partially Accepted

It is the policy of the Department of the Attorney General, in accordance with RIGL § 36-4-63, that an employee submit a physician's certificate or other affidavit of illness for each sick leave covering three consecutive days. However, there may be exceptions when other types of evidence satisfactory to management, has been submitted. These, too, would be in accordance with R.I.G.L. §36-4-63.

Auditor's Recommendation:

10. *The Department should consider the feasibility of centralizing the cash receipts function in the business office.*

Department of Attorney General Response:

Not Accepted

Given the very distinct areas in the Department where fees are collected and/or checks received, it is important that the checks are initially received and processed by the controlling unit (BCI, Charitable Trusts, Consumers, and Forfeitures). It would not be feasible nor practical, to centralize the cash receipts function.

Auditor's Recommendation:

11. *Ensure checks are restrictively endorsed and accompanying documents date stamped, and receipts are recorded in a cash receipts journal.*

Department of Attorney General Response:

Accepted

Within a few weeks of the audit, date stamps, restrictive endorsement stamps and written procedures were put in place in every unit with a cash receipts function. Checks are forwarded to the Department's fiscal office within 24 hours and all deposits are made within seven business days as required by R.I.G.L. §11-28-1.

Auditor's Recommendation:

12. *Reconcile and document the Department's records with the Controller's Statements on a monthly basis.*

Department of Attorney General Response:

Accepted

The Department's fiscal office now conducts a formal reconciliation to the Controller's Statements on a monthly basis.

Auditor's Recommendation:

13. *Employees should submit travel reimbursement vouchers on a monthly basis.*

Department of Attorney General Response:

Accepted

Employee travel expenses will be reported on form A-14X, Express Travel Reimbursements and Accounting ("Extra"). Fiscal Office staff will receive training on these new forms in October, 2000. Employees whose travel reimbursements are less than \$10.00 may elect to wait until the minimum accumulates.

Auditor's Recommendation:

14. *The Department should review the fee schedule and applications and consider including language that application fees are nonrefundable and fees charged are adequate.*

Department of Attorney General Response:

Accepted

At the onset of the Whitehouse Administration, the Department reviewed the fees required by statute for background checks, pistol permits, charitable trust filings and telephone solicitation registrations. With respect to background checks where the current fee is \$5 per check, it was decided that the fee not be increased. Most of the background checks are sought by citizens who need the background checks for employment purposes. Charitable Trust filing fees have not been increased because it is not in the State's best interest to increase charges to trusts that have been established for charitable-giving purposes. Pistol permit application fees are still under review. Telephone solicitation registration fees are collected when a company is approved to conduct telephone solicitations. There would be no purpose to collect the fee if the company is not authorized to register.

Auditor's Recommendation:

15. *Implement a perpetual inventory system for the main supply room and maintain control over the various storerooms throughout the building.*

Department of Attorney General Response:

Not Accepted

The Director of Operations maintains control over the main supply room which is secured and physically located adjacent to his office. Further, the Director of Operations is charged with maintaining control over all supply purchases as well as the distribution to each of the three divisions in the main building and each outer location who has a supply closet. They are: the Executive Office, the Criminal Division, the Civil Division, and the County Offices. One person in each of these areas is responsible for the upkeep and stocking of their supply closet which contains only the essential supplies necessary for the efficient operation of the Department. All essential supplies are ordered through written request, signed-off by the Director of Operations and ultimately signed-off by the Director of Administration.

Non-essential supply requests must first be authorized and approved by a Deputy Chief in each respective division before submission to the Director of Operations and the Director of Administration for final approval.

Given the schedules that are in place within the Department of the Attorney General, where the BCI function is 24/7 and attorneys and other staff commonly work evenings and on weekends, it would not be feasible nor in the best interest of the agency to limit access to essential supplies in the closets in each of these areas.

Auditor's Recommendation:

16. *Ensure compliance with Internal Revenue Service Regulations and RIGL § 42-11.3 by requiring reimbursement for commuting miles for nonexempt employees who are assigned vehicles.*

Department of Attorney General Response:

Partially Accepted

During the same fiscal year of 1999 which is the period for this audit, the Department of the Attorney General received a law enforcement exemption for its assigned vehicles from the State Controller, on September 1, 1998. Since legislation was recently amended regarding employee provided vehicles, the Department of the Attorney General has sought authorization for exemption from the State Director of Administration pursuant to Procedure A-51.

Auditor's Recommendation:

17. *Perform and document criminal background checks on all field investigators.*

Department of Attorney General Response:

Accepted

A criminal background check is actually conducted on every employee of the Department, not just field investigators.

Auditor's Recommendation:

18. *The Department should comply with RIGL § 42-9-8.1 (6) or request legislation to amend it.*

Department of Attorney General Response:

Partially Accepted

The Department will review RIGL § 42-9-8.1(6) as it relates to accreditation standards and determine whether all or parts of the section should be amended.

Auditor's Recommendation:

19. *Develop policies and procedures to ensure compliance with RIGL § 12-1-10.*

Department of Attorney General Response:

Accepted

Presently, information on stolen property is received by police departments via the RI Law Enforcement Telecommunications System (RILETS). This information is available to all inquiring law enforcement agencies via the network. The Department will review the intent of the statute and recommend necessary changes, if appropriate.

Auditor's Recommendation:

20. *Designate a "Records Management Officer" to oversee the Department's records management as outlined by the Office of the Secretary of State.*

Department of Attorney General Response:

Accepted

Prior to the audit conducted by the Bureau of Audits, the Whitehouse Administration recognized the need to develop a records management program. At no time previously had such a formal policy existed in the Department of the Attorney General. The Department has designated a "Records Management Officer" to work with the Office of the Secretary of State to handle the enormous

undertaking of developing a records retention schedule for the thousands of criminal and civil files that date as far back and beyond the 1970's.

Auditor's Recommendation:

21. *Develop policies and procedures to ensure compliance with the Charitable Trusts statutes.*

Department of Attorney General Response:

Partially Accepted

For the first time in the history of the Department of the Attorney General, during the first year of the Whitehouse Administration, measures were taken to develop procedures to track Charitable Trusts that were not properly filing their written report or paying their \$50 fee in accordance with RIGL § 18-9-7 and 18-9-13. A database was established to keep track of violators for the previous year. Moreover, a proactive approach was taken and notices were mailed to all registered trusts reminding them of their legal responsibility to file properly. In 2000, should those same violators re-appear and it is determined that the trust has now failed to file for a period exceeding 2 years after the July 1st filing date, that trust will be assessed the \$100 fee for non-compliance with the statute.

Auditor's Recommendation:

22. *Review the existing rules and regulations on file with the Office of the Secretary of State and update accordingly.*

Department of Attorney General Response:

Accepted

The Charitable Trusts Unit has obtained the regulations from the Office of the Secretary of State and is in the process of reviewing and updating.

Auditor's Recommendation:

23. *Ensure the Commission has four meetings each year and submits an Annual Report to the Governor and the Legislature.*

Department of Attorney General Response:

Accepted

While the Department of the Attorney General cannot speak for members of the Crime Lab Commission, the Attorney General who serves as the Chairperson reports that the State Crime Laboratory Commission is aware that the statute requires that the Commission meet at least four times each year. There were only three meetings held in 1999 due to a scheduling conflict with several members for the Fall, 1999 meeting. This year, three meetings have already been held and the next is scheduled for December 8, 2000. The Chairman will ensure that the Annual Report for the Crime Lab is formally submitted to the Governor and the Legislature.

Auditor's Recommendation:

24. *The Commission should review the responsibilities and duties of the State Crime Laboratory Personnel and Commission Members to determine if the delegation of statutory responsibility is appropriate and recommend a modification and/or repeal of statutory requirements.*

Department of Attorney General Response:

Not Accepted

The Attorney General who acts as Chairman of the State Crime Lab Commission, is satisfied that the delegation of statutory responsibility for Crime Lab Personnel and Commission Members is appropriate. If during Crime Lab Meetings, the Dean of the College of Pharmacy in his capacity as Executive Secretary of the Commission directs the Crime Lab Director to present the budget to the Commission, he is authorized to do so under RIGL § 12-1.2-7 (d) (e).

Auditor's Recommendation:

25. *The Department should have legislation introduced in the next session of the General Assembly to repeal the statute.*

Department of Attorney General Response:

Accepted

The Department of the Attorney General supports introducing legislation to repeal RIGL § 42-9-14 which predates the creation of the State Crime Laboratory and, as such, is obsolete.